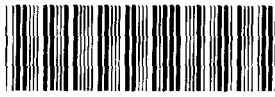
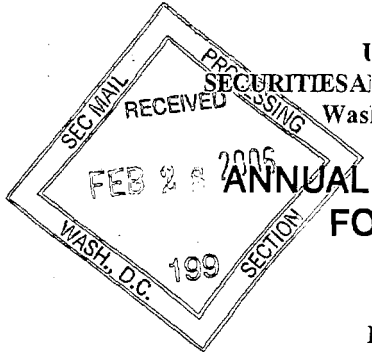


BB



06004315

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden	
hours per response.....	12.00

gm
3/10

SEC FILE NUMBER
8- 52532

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING January 1, 2005 AND ENDING December 31, 2005
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: J. Giordano Securities, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

1234 Summer Street

(No. and Street)

Stamford

CT

06905

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

David Kronenberg

203-975-5262

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Reynolds & Rowella, LLP

(Name - if individual, state last, first, middle name)

90 Grove Street

Ridgefield

CT 06877

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

APR 27 2006

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

BB
4/25

OATH OR AFFIRMATION

I, James Giordano, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of J. Giordano Securities, LLC, as of December 31, 2005, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

James R. Giordano
Signature
PRESIDENT
Title

Subscribed and Sworn to before me

this 27 day of Feb, 2006

Jim Lyai Swad
NOTARY PUBLIC

Jim Lyai Swad
Notary Public

My Commission Expires Mar. 31, 2003

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition. and cash flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report	i
<u>FINANCIAL STATEMENTS:</u>	
<u>EXHIBIT A</u> Statement of Financial Condition as of December 31, 2005	ii
<u>EXHIBIT B</u> Statement of Income for the Year Ended December 31, 2005	iii
<u>EXHIBIT C</u> Statement of Changes in Member's Capital for the Year Ended December 31, 2005	iv
<u>EXHIBIT D</u> Statement of Cash Flows for the Yer Ended December 31, 2005	v
<u>EXHIBIT E</u> Notes to Financial Statements	vi-x
<u>SUPPLEMENTARY INFORMATION</u>	
<u>SCHEDULE 1</u> Computation of net Capital Under Rule 15c3-1 of the SEC as of December 31, 2005	xi
<u>SCHEDULE 2</u> Computation of Aggregate Indebtedness as of December 31, 2005	xii
Accountant's Supplementary Report on Internal Accounting Control for the Year Ended December 31, 2005	xiii-xiv



Partners:

Thomas F. Reynolds, CPA
Frank A. Rowella, Jr., CPA
Steven I. Risbridger, CPA

Principal

Richard J. Proctor, CPA, CVA, CGFM

INDEPENDENT AUDITOR'S REPORT

To the Member
J. Giordano Securities, LLC
Stamford, Connecticut

We have audited the accompanying statement of financial condition of J. Giordano Securities, LLC (a Delaware limited liability company) as of December 31, 2005, and the related statements of income, changes in member's capital, and cash flows for the year then ended, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of J. Giordano Securities, LLC as of December 31, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules 1 and 2 on pages xi and xii is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Reynolds & Rowella, LLP

New Canaan, Connecticut
January 20, 2006

i

EXHIBIT A

J. GIORDANO SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2005

ASSETS

Cash	\$ 20,885
Receivable from broker-dealer	1,148,295
Marketable securities, at market value	26,057
Property and equipment, net	1,339,957
Receivables from affiliate	42,479
Other assets	<u>547,715</u>
 TOTAL ASSETS	 <u>\$ 3,125,388</u>

LIABILITIES AND MEMBER'S CAPITAL

LIABILITIES	
Mortgage payable	\$ 800,296
Accrued expenses	<u>628,491</u>
 TOTAL LIABILITIES	 1,428,787
 MEMBER'S CAPITAL	 <u>1,696,601</u>
 TOTAL LIABILITIES AND MEMBER'S CAPITAL	 <u>\$ 3,125,388</u>

See notes to financial statements.

EXHIBIT B

J. GIORDANO SECURITIES, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUES

Commissions	\$ 2,697,216
Investment banking fees	1,873,169
Gains on principal transactions	5,773,163
Interest and dividends	410,914
Other income	<u>231,324</u>

TOTAL REVENUES 10,985,786

OPERATING EXPENSES:

Employee compensation and benefits	6,549,499
Floor brokerage, exchange, and clearance fees	984,591
Office expense	204,591
Professional fees	309,487
Market data and communications	897,274
Management fees	1,061,225
Promotion and advertising	250,431
Interest expense	111,849
Other expense	279,421
Occupancy and equipment	<u>180,613</u>

TOTAL OPERATING EXPENSES 10,828,981

NET INCOME \$ 156,805

See notes to financial statements.

EXHIBIT C

J. GIORDANO SECURITIES, LLC
STATEMENT OF CHANGES IN MEMBER'S CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2005

<u>BEGINNING CAPITAL</u>	\$1,539,796
Net income	<u>156,805</u>
<u>ENDING CAPITAL</u>	<u><u>\$1,696,601</u></u>

See notes to financial statements.

EXHIBIT D

J. GIORDANO SECURITIES, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income \$ 156,805

Adjustments to reconcile net income to net cash used in
operating activities:

Depreciation 94,007

Changes in assets and liabilities

(Increase) decrease:

Receivable from broker dealer (137,446)

Marketable securities 550,305

Due from affiliate (42,479)

Other assets (326,867)

Increase (decrease) in liabilities:

Accrued expenses 50,171

Securities sold short, market value (345,517)

Other liabilities (20,000)

Total adjustments (177,826)

NET CASH FLOWS USED IN OPERATING ACTIVITIES (21,021)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment (66,712)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments of mortgage loan (47,829)

NET INCREASE IN CASH (135,562)

CASH AT BEGINNING OF PERIOD 156,447

CASH AT END OF PERIOD \$ 20,885

SUPPLEMENTAL DISCLOSURES:

Interest paid \$ 111,849

See notes to financial statements.

J. GIORDANO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

J. Giordano Securities, LLC, (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company is a limited liability company formed in the State of Delaware. It is a single-member LLC owned by Giordano & Company, Inc.

The clearing and depository operations for the Company's customer and proprietary transactions are performed by its clearing broker pursuant to a clearance agreement.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Property and Equipment, Net

Property and equipment is stated at cost and includes expenditures for major items. Maintenance, repairs and minor replacements are expensed. Depreciation is calculated under the straight-line method based on expected useful lives of 3 to 39.5 years.

Income Taxes

The Company is organized as a Limited Liability Company. As a flow-through entity, Federal and state income taxes are the responsibility of the member. Therefore, the Company does not record a provision for income taxes as the member reports the Company's income or loss on its income tax returns.

Securities Transactions/Revenue Recognition

The Company records securities transactions and related revenues and expenses on a trade date basis.

Commissions and investment banking fees are recorded as revenue at the date of closing of the deals.

J. GIORDANO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Securities Transactions/Revenue Recognition (continued)

Marketable securities are valued at market value as determined by reference to the closing prices in relevant markets.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

Marketing Costs

The Company expenses marketing costs as incurred. Total marketing costs were \$250,431 in 2005.

Concentration of Credit Risk

The Company maintains its cash balances in accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes there is little or no exposure to any significant credit risk.

NOTE 2 – SECURITIES OWNED

Marketable securities owned, consist of trading and investment securities at market values in the form of corporate stock which had a value of \$26,057 at December 31, 2005.

Included in other assets is \$301,425 in non-marketable securities.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 31, 2005:

Condominium and improvements	\$1,315,026
Furniture and fixtures	112,496
Computers and other equipment	324,595
Artwork	47,167
	<u>1,799,284</u>
Accumulated depreciation	<u>(459,327)</u>
Property and equipment, net	<u>\$1,339,957</u>

J. GIORDANO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The Company is committed on two non-cancelable operating leases for office space through August, 2006. The Company has signed a month to month lease for space in New York City. The minimum annual lease payments are:

<u>Year Ended</u>	
2006	\$27,649

Rent expense charged to operations for the year ended December 31, 2005 was \$161,179.

NOTE 5 – NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1.

At December 31, 2005, the Company had net capital of \$639,824, which exceeded the minimum requirement of \$100,000 by \$539,824.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Company is managed by and pays management fees to related parties. During the year ended December 31, 2005, the Company incurred \$1,061,225 in such management fees.

The Company also advanced money to an affiliate. At December 31, 2005 the Company is owed \$42,479 from an affiliate.

NOTE 7 – MORTGAGE PAYABLE

The Company has a mortgage payable in an original amount of \$862,500 at July 29, 2004, payable in minimum monthly principal payments of \$3,594 through August 1, 2024, plus interest at LIBOR plus 200 basis points, 6.29% at December 31, 2005. The loan is collateralized by the office condominium.

J. GIORDANO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 7 – MORTGAGE PAYABLE (continued)

Future principal maturities debt are as follows:

2006	\$ 43,125
2007	43,125
2008	43,125
2009	43,125
2010	43,125
Thereafter	<u>584,671</u>
	<u>\$800,296</u>

NOTE 8 – 401(k) RETIREMENT PLAN

Under a 401(k) retirement plan adopted effective September 28, 2004, eligible employees may elect to defer up to one hundred percent of their salary, subject to Internal Revenue Code limits. The Company may make a matching discretionary amount equal to a percentage of the participant's deferrals which vest over a six-year period. The Company has made no contribution for 2005.

NOTE 9 – OFF-BALANCE SHEET RISK

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. Therefore, all of the customers' money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions, as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company. In addition, the receivable from the clearing broker is pursuant to this clearing agreement and includes a clearing deposit required by the clearing broker.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. A significant portion of the Company's assets are held by the clearing broker.

J. GIORDANO SECURITIES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE 9 – OFF BALANCE SHEET RISK (continued)

The Company is subject to certain inherent risks arising from its activities of selling securities short. The ultimate cost of repurchasing these securities may well exceed the liability reflected in the financial statements. These risks are mitigated to the extent that the Company owns warrants, rights, options or convertible securities that are convertible or exchangeable into the securities that have been sold short.

NOTE 10 – RULE 15c3-3 EXEMPTION

The Company is exempt from the provisions of Rule 15c3-3 under paragraph (k)(2)(ii) in that the Company carries no margin accounts; promptly transmits all customer funds and delivers all securities received; does not otherwise hold funds or securities for, or owe money or securities to customers and effectuates all financial transactions on behalf of customers on a fully disclosed basis.

SCHEDULE 1

J. GIORDANO SECURITIES, LLC
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2005

TOTAL OWNERSHIP EQUITY QUALIFIED FOR NET CAPITAL	\$ 1,696,601
Deductions and/or charges for non-allowable assets:	
Condominium, net	1,162,276
Mortgage payable	(800,296)
Furniture, equipment and leasehold improvements	177,681
Other assets	208,587
Securities not marketable	301,425
	<u>1,049,673</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	646,928
Haircuts on securities:	
Options	3,908
Foreign currency	3,196
	<u>7,104</u>
Net capital	639,824
Minimum net capital required	<u>100,000</u>
Excess net capital	<u>\$ 539,824</u>

STATEMENT PURSUANT TO PARAGRAPH (d)(4) OF RULE 17a-5

There are no material differences between the computation of net capital presented above and the computation of net capital reported in the Company's unaudited Form X-17A-5, Part II-A filing as of December 31, 2005.

SCHEDULE 2

J. GIORDANO SECURITIES, LLC
COMPUTATION OF AGGREGATE INDEBTEDNESS
AS OF DECEMBER 31, 2005

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:

Accounts payable and accrued expenses

\$ 628,491

Total aggregate indebtedness

\$ 628,491

Excess net capital at 1,000 percent

\$ 576,975

Ratio: Aggregate indebtedness to net capital

0.98 to 1

SUPPLEMENTARY INFORMATION

Partners:

Thomas F. Reynolds, CPA
Frank A. Rowella, Jr., CPA
Steven I. Risbridger, CPA

Principal

Richard J. Proctor, CPA, CVA, CGFM

ACCOUNTANT'S SUPPLEMENTARY REPORT
ON INTERNAL ACCOUNTING CONTROL

To the Member
J. Giordano Securities, LLC

In planning and performing our audit of the financial statements and supplemental schedules of J. Giordano Securities, LLC (the "Company"), for the year ended December 31, 2005, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission the "SEC", we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives.

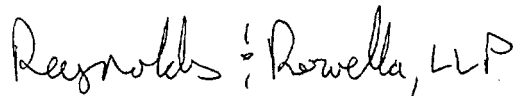
Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of the management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Reynolds & Rowella, LLP

Ridgefield, Connecticut
January 20, 2006